

# The Birmingham News

## Riley eyes a special session

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MONTGOMERY - Gov. Bob Riley is "strongly considering" calling lawmakers into special session starting Feb. 26, in a bid to let a state commission borrow an extra \$400 million that could be used to recruit industries, Riley spokesman Jeff Emerson said Monday.

"What the governor may pursue in a special session is directly related to two things: more jobs for citizens across the state and also saving money by lowering interest rates on borrowed funds," Emerson said.

State Sen. Lowell Barron, D-Fyffe, said Riley recently called him and said "he was eyeing the possibility of a special session." The session in part would be held to propose a plan to raise the maximum amount a state commission could borrow from \$350 million to \$750 million, with the money possibly going for industrial incentives, Barron said.

He said Riley didn't mention any projects by name.

The German industrial giant ThyssenKrupp announced last week that Alabama and Louisiana were the two finalists in the running for a \$2.9 billion steel plant that would employ 2,700 people. The Alabama site is in north Mobile County.

Also, Northrop Grumman and EADS, the European Aeronautic Defence and Space Co., have announced plans to build a \$600 million assembly plant that would employ 1,000 people in Mobile if the companies win a \$40 billion contract for Air Force refueling tankers.

The five-member commission created in 2000 and chaired by the governor can borrow as much as \$350 million for various projects, but \$305 million already has been committed, according to the Legislative Fiscal Office. Money borrowed by the commission is repaid from a fund that gets some of the royalties that companies pay the state on natural gas pumped from Mobile Bay.

Raising the borrowing cap from \$350 million to \$750 million would mean rewriting the state constitution. Any plan to do that would have to be approved by legislators and then by voters in a statewide referendum.

### **Requires special election:**

No proposed amendment can be voted on statewide sooner than three months after the session in which lawmakers approved the proposed amendment.

If lawmakers were to start meeting Feb. 26 and pass a proposed amendment March 2, voters could decide in a special election in early June whether to approve it.

If lawmakers were to pass a proposed amendment in this year's regular session of the Legislature, which starts March 6 and could last through June 18, voters might not be able to accept or reject the plan until mid-September or later.

An alternative would be to start the regular session and then approve a pause, hold a special session, and then resume the regular session.

"We've got several major industrial development projects on the table right now that the state is pursuing," Emerson said. "That's the main urgency right there."

A five-day special session held before the regular session likely would cost more than \$100,000, state officials said, while the cost of holding a special session in the middle of the regular session would be much less.

Barron said Riley also told him he might ask lawmakers in a special session to pass plans to make two state insurance boards set up trusts that could help Alabama pay billions of dollars in future health care costs for its retired employees. Two of the trust plans are proposed constitutional amendments.

Emerson said setting up the trusts could assure bond-rating agencies that Alabama was taking steps to pay future health insurance costs of its retirees.

Assuring them could help maintain or even improve Alabama's bond rating, which could lower interest costs on any money borrowed by the state later this year.